Principal Life
Insurance Company

December 23, 2009

MARK ANTONIO
CITY OF HALLANDALE BEACH
CITY HALL
400 SOUTH FEDERAL HIGHWAY
HALLANDALE BEACH, FL 33009-6433

RE City Of Hallandale Beach Retirement Plan
Annuity Contract No: 4-45661

Dear Mark

I have enclosed your 2009 Actuarial Valuation Report, which provides information you need to determine your pension plan contribution.

Please make checks payable to Principal Life Insurance Company. Be sure to note the 2009 plan year on the check stub or with the correspondence included with each deposit.

If you have any questions about this report, please contact me at the number below. Thank you.

Sincerely

Andrea Matson
Pension Actuarial Analyst
Retirement Actuarial Services
Phone (515) 362-2364
Fax (866) 704-3481

Enclosure

cc Don Huegerich
Dan Gornick
Cory Weber

Approval #8848112007

Deposit Overview

City of Hallandale Beach Retirement Plan **Plan Year Beginning 10/01/2009**
4-45661

This overview is a summary of deposit information shown in your actuarial valuation report. It will help you determine your current year contribution to your retirement plan. You may deposit any amount in excess of your annual required contribution. Refer to your actuarial valuation report, Section III–Deposit Information, for this calculation.

Annual Required Contribution

Your annual required contribution for the fiscal year beginning 10/01/2010 is $3,290,953. This is the amount needed to keep your plan currently funded.

The annual required contribution for the fiscal year beginning 10/01/2009 is $2,851,326 as shown on page II-1 of the 10/01/2008 Actuarial Valuation Report.

Deposits Received for 2009 Plan Year

Amount	Date Received
$9,197	10/06/2009
10,360	10/19/2009
10,365	11/02/2009
$29,922	Deposits received through 11/12/2009

Additional Information

For additional information, please see the 2009 actuarial valuation report.

Principal Financial Group

City of Hallandale Beach Retirement Plan
4-45661

Actuarial Valuation Report

For the plan year October 1, 2009 through
September 30, 2010

Principal®

WE'LL GIVE YOU AN EDGE℠

Table of Contents

This actuarial valuation report is for your defined benefit retirement plan. It gives you the amounts needed to fund the benefits described in your plan document. This report is based on employee data and other information you provide us.

Funding Method

Defined benefit plans, as the name suggests, define the benefits given to employees. Your goal is to have enough funds to pay for these benefits. To do this, we use a funding method. It sets the yearly deposit needed to pay for your plan's benefits.

Assumptions

We use assumptions to estimate how much funding you'll need for benefits. For instance:

- How much interest will your funds earn?
- How many employees will leave the plan?
- What will be employees' future salaries?
- How many employees will become disabled?

Deposit levels change when actual events differ from what was assumed. To see the assumptions used for your plan, refer to Section VII of this report.

Using This Report

The law defines the minimum deposit you must make. Your deposit may have to be more than this to fund upcoming benefits. We'll advise you if you need to fund at a higher level. For a summary of these results, refer to Section II. More detailed information is found in the remaining sections of this report.

Actuarial Certification

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, these results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, and Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends, which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

David A Stocklas

12/21/2009

Date

David A. Stocklas, EA, MAAA
Consulting Actuary
Retirement Actuarial Services
Principal Financial Group
Des Moines, IA 50306-9394
(412) 394-9380

This summary is for City of Hallandale Beach Retirement Plan. It includes:

- Annual required contribution for the plan year ending 09/30/2011
- Deposit options
- Changes recognized in this report
- Analysis of results

Deposit Information

A summary of the results of the actuarial valuation is as follows:

Total normal cost	$3,295,353
Employee normal cost (expected employee contributions)	234,001
Employer normal cost	3,061,352
Total normal cost as a percentage of member compensation	42.25%
Annual required contribution	3,290,953

Deposit Options

The table below explains the effects of depositing at different levels. The impact on next year's costs is based on all actuarial assumptions being met. Costs will vary based on actual plan experience and timing of deposits.

If you deposit	You will
Less than $3,290,953	➢ Increase your next year's annual required contribution.
Exactly $3,290,953	➢ Meet your annual required contribution.
More than $3,290,953	➢ Exceed your annual required contribution. ➢ Decrease next year's annual required contribution.

Deposits Received

We have received the following current plan year deposits as of 11/12/2009:

Amount	Date Received
$9,197	10/06/2009
10,360	10/19/2009
10,365	11/02/2009
$29,922	Total

Please take this into consideration when determining your additional current year contributions.

Changes

No changes occurred in the actuarial valuation assumptions, plan benefits, actuarial cost method, or procedures affecting the comparability of costs since the 2008 plan year.

Analysis

Total normal cost as a percentage of compensation increased from 39.19% to 42.25%. This increase resulted primarily from less than expected return on plan assets. Partially offsetting this loss was a gain in the plan due to lower than assumed salary increases.

For Additional Information

For additional information you may contact your Pension Actuarial Analyst, Andrea Matson, by:

- Phone – 1-800-543-4015 extension 22364, or 515-362-2364
- Email – matson.andrea@principal.com

You may also contact your local Principal Financial Group Retirement Services sales office.

Normal Cost

	For Fiscal Year Beginning 10/01/2010[1]	For Fiscal Year Beginning 10/01/2009[1]
Total normal cost	$3,295,353	$2,872,280
Employee normal cost (expected employee contributions)	234,001	219,884
Employer normal cost	3,061,352	2,652,396
Annual member compensation[2]	7,800,033	7,329,459
Total normal cost as a percentage of member compensation	42.25%	39.19%

Deposit Levels

			For Fiscal Year Beginning 10/01/2010[1]	For Fiscal Year Beginning 10/01/2009[1]
Annual Required Contribution	a)	Employer normal cost	$3,061,352	$2,652,396
	b)	Valuation interest to the end of the plan year on a	229,601	198,930
	c)	Annual required contribution (a+b)	3,290,953	$2,851,326

This minimum deposit is in addition to employee contributions.

[1]Costs based on prior plan year valuation adjusted for assumed salary scale increase and interest to reflect that it applies for the upcoming fiscal year contributions.

[2]Projected compensation.

	Actuarial Value	Market Value
Principal Life Insurance Company Accounts		
Flexible Pension Investment (FPI) grouped accounts	$30,876,228	$25,537,551
Adjusted Actuarial Value	$30,645,061	

The assets used in this valuation have been adjusted to $30,645,061 to fall within the corridor limits defined by the cost method of 80% to 120% of market value.

The actuarial value of assets for the Flexible Pension Investment (FPI) grouped accounts is determined on a combined basis. See the following page for the development of this value.

Deposits Received for the 10/01/2008 Plan Year

The following employer deposits were made for the prior plan year and are reflected in the total assets above.

Amount	Date Received
$502,862.00	01/12/2009
502,862.00	04/20/2009
501,569.00	07/06/2009
501,569.00	09/28/2009
$2,008,862.00	**Total**

Development of Actuarial Value of Principal FPI Grouped Accounts

To determine the actuarial value of the Principal FPI grouped accounts we have adjusted the market value by:

- Subtracting any remaining deferred appreciation in excess of expected investment earnings.
- Adding any remaining deferred appreciation short of expected investment earnings (shortfall).

Of the total excess appreciation or shortfall for any one plan year, 25% is allocated to the current plan year and each of the next three plan years.

a)	Market value of assets as of 10/01/2008	$25,824,801
b)	Contributions/transfers	2,256,650
c)	Benefit payments	(1,806,473)
d)	Expenses	(38,957)
e)	Expected interest on (a, b, c, and d)	1,924,773
f)	Expected value of assets as of 10/01/2009 (a+b+c+d+e)	$28,160,794
g)	Market value of assets as of 10/01/2009	$25,537,551
h)	Current year excess appreciation/(shortfall) (g-f)	(2,623,243)
i)	Adjustment to market value (sum of deferred amounts)	(5,338,677)
j)	Actuarial value of assets (g-i)	$30,876,228

Allocation of Deferred Appreciation

Allocation Year	Plan Year 2006	2007	2008	2009
2006	$(75,028)			
2007	(75,027)	$277,008		
2008	(75,027)	277,007	$(1,824,126)	
2009	(75,027)	277,007	(1,824,126)	$(655,811)
2010		277,007	(1,824,126)	(655,811)
2011			(1,824,126)	(655,811)
2012				(655,810)
Total	$(300,109)	$1,108,029	$(7,296,504)	$(2,623,243)
Deferred	$0	$277,007	$(3,648,252)	$(1,967,432)

Adjustment to market value (sum of deferred amounts) $(5,338,677)

Development of Normal Cost

a)	Present value of projected benefits	
	Active members	$31,979,846
	Inactive members	4,225,180
	Retired members	16,369,858
	Total	$52,574,884
b)	Actuarial value of assets	30,645,061
c)	Present value of future normal costs (a-b but not less than zero)	21,929,823
d)	Present value of future compensation	56,554,868
e)	Current annual compensation	7,431,434
f)	Normal cost (c÷d×e)	2,881,627
g)	Estimated expenses	38,957
h)	Total normal cost (f+g)	$2,920,584

Development of Normal Cost for fiscal year ending 09/30/2011

a)	Total normal cost for 10/01/2009 plan year (line h above)	$2,920,584
b)	Adjustment for salary increase (1.0496%)	144,861
c)	Adjustment for interest (1.0750%)	229,908
d)	Total Normal Cost for 9/30/2011 FYE	3,295,353
e)	Employee Normal Cost (adjusted for salary increases)	234,001
f)	Employer Normal Cost (d-e)	$3,061,352

Census Data

The census data is based on data supplied by the plan sponsor.

	Active Participants		Inactive Participants	
Age Group	Number	Projected Monthly Pension [1]	Number	Monthly Pension
Under 25	5	$89,520		
25 - 29	6	80,098		
30 - 34	15	173,373	3	$1,455
35 - 39	26	224,688	5	1,349
40 - 44	25	167,801	5	2,175
45 - 49	25	143,270	10	4,245
50 - 54	31	139,275	18	9,200
55 - 59	27	93,259	15	11,991
60 - 64	5	12,912	7	10,704
65 & over	5	11,222	9	6,758
Totals	170	$1,135,418	72	$47,877

[1] Projected monthly pension was calculated on the assumption that employees would experience annual compensation increases. This also includes the projected medical stipend a participant would have at retirement.

Included in the inactive participants are 7 individuals participating in the DROP provision (3 who have already started receiving an annuity), and 10 participants who have employee contributions only.

Retired Participants

Age Group	Number	Monthly Benefit[2]
Under 40		
40 - 44		
45 - 49		
50 - 54	2	$649
55 - 59	4	9,665
60 - 64	13	20,436
65 - 69	29	48,702
70 - 74	23	29,727
75 - 79	14	17,062
80 - 84	19	14,832
85 & over	17	6,135
Totals	121	$147,208

[2] This also includes the medical stipend a participant has earned.

Emerging Retirement Liability

This page is provided to help you evaluate your asset liquidity needs. For this purpose, the charges shown can be compared to the market value of assets not already allocated to retirees. As of the current anniversary date, this amount is $12,177,653.

Plan Year Beginning	Number Retiring	Projected Monthly Benefit	Expected Charge to Assets	Cumulative Charges
10/01/2009	32	$55,703	$1,513,978	$1,513,978
10/01/2010	3	6,574	1,592,868	3,106,846
10/01/2011	8	17,896	1,807,622	4,914,468
10/01/2012	8	16,171	2,001,679	6,916,147
10/01/2013	4	10,108	2,122,973	9,039,120
10/01/2014	16	49,620	2,718,406	11,757,526
10/01/2015	13	37,253	3,165,436	14,922,962
10/01/2016	10	32,903	3,560,277	18,483,239
10/01/2017	9	34,661	3,976,211	22,459,450
10/01/2018	8	19,735	4,213,033	26,672,483

Number retiring recognizes only those who have benefits that will commence in that year.

Projected monthly benefit was calculated using the salary scale shown on the assumption page of this report.

Expected charge to assets is an estimate of the total monthly benefits payable from your plan. This display assumes new retirements at the beginning of the plan year and includes charges for those already retired under the direct fund. We have assumed that retired participants will live and receive benefits until the end of this display.

This display includes 38 retirees or beneficiaries who are already receiving benefits under the direct fund provision of the contract. Excluded are the 83 retirees who were retired under the benefit index provision.

This includes monthly payments going to the DROP account, even though they are still in the plan assets after being paid.

The table below outlines the value of the Benefit Index as compared to the total market value of the retirement funds. For retirements prior to August 2002, you utilized the Benefit Index approach; for retirements after, you have elected to use the Direct Fund approach so as to minimize a potential emerging liability situation. No further retirements have occurred under the Benefit Index option since September of 2002, and the ratio of Benefit Index to market value of assets has now declined.

Plan Year Beginning	October 1, 2009	October 1, 2008	October 1, 2007	October 1, 2006
Market Value of Assets	$25,537,551	$25,824,801	$30,275,710	$26,510,105
Benefit Index	$13,359,898	$12,817,090	$13,419,897	$14,093,571
Ratio of Benefit Index to Assets	52%	50%	44%	53%

Actuarial Valuation Assumptions

	10/01/2009	10/01/2008
Valuation Interest (net of investment expenses)		
Preretirement	7.50%	7.50%
Postretirement	7.50%	7.50%
Interest Rate For Employee Accumulations	3.00%	3.00%
Mortality		
Preretirement	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.
Postretirement	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.
Expenses	A dollar estimate of administrative expenses is included in normal cost.	A dollar estimate of administrative expenses is included in normal cost.
Salary Scale	Table S-5 from the Actuary's Pension Handbook plus 3.30%. Selected rates of increase are shown below:	Table S-5 from the Actuary's Pension Handbook plus 3.30%. Selected rates of increase are shown below:

10/01/2009:

Age	Increase	Age	Increase
20	8.40%	40	6.02%
25	7.48%	45	5.69%
30	6.87%	50	5.42%
35	6.41%	55	5.18%

10/01/2008:

Age	Increase	Age	Increase
20	8.40%	40	6.02%
25	7.48%	45	5.69%
30	6.87%	50	5.42%
35	6.41%	55	5.18%

	10/01/2009	10/01/2008
Retirement Age	Normal retirement age as defined in Summary of Plan Provisions.	Normal retirement age as defined in Summary of Plan Provisions.
Disability	1987 Commissioner's Group Disability Table, six month elimination period, male and female.	1987 Commissioner's Group Disability Table, six month elimination period, male and female.
Marriage	75% married; male is 3 years older than the female.	75% married; male is 3 years older than the female.

Withdrawal	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75 Selected rates of withdrawal are shown below:	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75 Selected rates of withdrawal are shown below:

Age	Rate of withdrawal	Age	Rate of withdrawal	Age	Rate of withdrawal	Age	Rate of withdrawal
20	18.23%	40	7.05%	20	18.23%	40	7.05%
25	14.63%	45	5.48%	25	14.63%	45	5.48%
30	11.63%	50	4.20%	30	11.63%	50	4.20%
35	9.08%	55	3.15%	35	9.08%	55	3.15%

Accumulated Leave	None	None
Medical Stipend	Assume all eligible continue to receive medical stipend.	Assume all eligible continue to receive medical stipend.

The actuarial valuation assumptions used in this report are the same as those used in the prior year report.

Actuarial Methods

	10/01/2009	10/01/2008
Actuarial cost method	Aggregate	Aggregate
Actuarial value of assets		
Principal Life Insurance Company accounts		
FPI grouped accounts	Market value is adjusted by spreading the expected value minus the actual value over four years (must be within 20% of market value).	Market value is adjusted by spreading the expected value minus the actual value over four years (must be within 20% of market value).
Deposits after the plan year end	Deposits received in the current plan year, but applied to the prior plan year, are included in assets at their face value.	Deposits received in the current plan year, but applied to the prior plan year, are included in assets at their face value.
Retirees	Assets and liabilities for retirees who receive monthly (guaranteed and non-guaranteed) benefits from plan assets are included in your valuation.	Assets and liabilities for retirees who receive monthly (guaranteed and non-guaranteed) benefits from plan assets are included in your valuation.
Deferred Retirement Option Plan (DROP) liability and assets	Participants who are participating in the Deferred Retirement Option Plan but who have not terminated employment are included in the valuation as retired participants. The future stream of benefit payments are valued as a liability to the plan. The DROP account balances are tracked and will be added to the actuarial value of liabilities for valuation purposes as well. The actuarial value and market value of assets will reflect the total assets of the plan including the DROP account balances.	Participants who are participating in the Deferred Retirement Option Plan but who have not terminated employment are included in the valuation as retired participants. The future stream of benefit payments are valued as a liability to the plan. The DROP account balances are tracked and will be added to the actuarial value of liabilities for valuation purposes as well. The actuarial value and market value of assets will reflect the total assets of the plan including the DROP account balances.

Description of Actuarial Cost Method
Aggregate

Ultimate Cost

The ultimate cost of your pension plan is:

- Benefit payments
- Plus expenses
- Less investment income

This cost can't be determined until the last benefit has been paid. Regardless of which actuarial cost method is used, the ultimate cost remains the same.

Cost Methods

A cost method is a budgeting tool. It helps to ensure that your pension plan is adequately and systematically funded. Cost methods differ based on how they assign an annual cost to the current year and how they treat gains and losses.

Normal Cost

The portion of cost assigned to each year is called the normal cost. The normal cost may be shared by the employer and the employees based on plan provisions.

Aggregate

The aggregate cost method is used for this valuation. This method estimates the total cost of all projected plan benefits based on the assumptions shown in this report and the participant data you have supplied.

Normal cost is determined by reducing the total cost of projected benefits by plan assets. This amount (the present value of future normal costs) is then spread as a level percentage of compensation if benefits are salary related or as a level dollar amount if not salary related.

Actuarial Gains/Losses

An actuarial gain or loss occurs when actual plan experience differs from what was assumed. The actuarial gain or loss is not calculated separately, but is reflected in the calculation of normal cost. A gain decreases normal cost and a loss increases normal cost. Normal cost will vary based on how plan experience compares to what was assumed.

The following is a summary of plan provisions and does not alter the intent or meanings of the provisions contained in the contract or plan document.

Plan Eligibility

Age:	Not attained age 60.
Service:	One year of service.
Class:	Any employee of the employer considered to be a general employee by the employer, not a policeman, fireman, or manager, that works more than 37.5 hours per week and is considered to be on a full-time basis. Lawrence Faragher, Jorge Fernandini, and Mary Washington will be included in this group regardless of their management status. Must agree to make required contributions. Effective 10/01/2007 non-bargaining employees will not become or again become active participants.

Normal Retirement Benefit

Age:	Attained age 60.
Form:	Monthly annuity with benefits received guaranteed to be at least equal to the employees' accumulation on normal retirement date (optional forms may be elected prior to retirement).
Amount (accrued benefit):	73% of average compensation multiplied by the short service percentage and the accrued benefit adjustment (minimum benefit of $20) for bargaining employees. 75% of average compensation multiplied by the short service percentage and the accrued benefit adjustment (minimum benefit of $20) for non-bargaining employees. This amount will be reduced for each full or partial year that his/her spouse is eligible for the qualified preretirement survivor annuity before the earlier of the date he/she becomes inactive or reaches normal retirement date. For each year of coverage the reduction is .25%. The accrued benefit will be reduced if an active participant has not made all of his/her required contributions.

Early Retirement Benefit

Age:	Attained age 55
Service:	Twenty years of service.
Form:	Same as normal retirement benefit.
Amount:	Accrued benefit on early retirement date reduced by 6 2/3% for each year up to five that the early retirement date precedes normal retirement date.

Late Retirement Benefit

Age:	No maximum age.
Form:	Same as normal retirement benefit.
Amount:	The greater of (a) or (b):

(a) Accrued benefit as of normal retirement date increased to reflect that payment begins at a later date.

(b) Accrued benefit on late retirement date.

Termination Benefit

Vesting percentage:	20% after three years of vesting service plus 20% per year thereafter, up to 100%.
Form:	Same as normal retirement benefit with income deferred until normal retirement.
Amount:	Equal to the sum of:

(a) The amount of retirement annuity which could be purchased on his normal retirement date by the participant's accumulation.

(b) Vesting percentage times the excess of the pension benefit as of the date of termination over (a) above.

At any time on or after termination, the participant may elect to receive his/her participant's accumulation in cash in lieu of any and all retirement benefits.

Medical Premium Benefit:

Eligibility	Active participant
Amount:	An annual benefit of $120 times years of service (maximum 20 years). Any non-bargaining employee hired after 01/01/1996 will not be eligible for this benefit.

Deferred Retirement Option Plan:

Eligibility	An active participant first becomes eligible to elect the DROP upon becoming eligible for early or normal retirement. A post-dated written letter of resignation fully binding upon the member is also required.
Election:	An election to participate in the DROP shall be forfeited if not exercised within 90 days immediately prior to member's eligibility to enter the DROP. Those members eligible to participate in the DROP prior to its effective date (October 1, 2000) shall have a period of 90 days from the effective date to elect participation in the DROP. The period of participation in the DROP cannot exceed a period of five years and/or age 67.
Form:	While the employee is in the DROP the pension benefit payments will be made to the DROP account as if the member had terminated employment and elected to receive monthly benefits payable in an amount as determined by the retirement option selected by the member . Payments to the DROP will earn or lose interest at the same rate and frequency as the pension fund, minus .5% for administrative cost. Payment options are lump sum, installments or an annuity.
Amount:	After the commencement of participation in the DROP, no additional service under the retirement plan will be credited and all calculations for average compensation will be based on the years preceding the commencement of participation in the DROP. Otherwise the DROP benefit will be based on the normal retirement benefit formula. Upon termination of employment, the member will receive the balance of the DROP account either immediately or he/she may defer payment until the latest day permitted under the minimal distribution requirements of section 401(a)(9) of the Internal Revenue Code.

Contributions

Participant:	3% of monthly compensation.

Early Retirement Window	Participants who were age 55 with 20 years of service on November 1, 2003 were given the option to retire early with their expected benefit at normal retirement date unreduced for early retirement with no accrued benefit adjustment applied. The last date to exercise this option was 12/22/2003.
Death Benefits:	If not waived, the greater of A. or B.:
A. Lump sum death benefit	
Form:	Lump sum.
Amount:	Participant's accumulation.
B. Death benefit	
Age:	Attained age 55.
Service:	Twenty years of service.
Form:	Monthly annuity payable to spouse.
Amount:	The amount that would have been received had the participant elected a joint and 50% survivorship benefit option and early retired the day before death.
Definitions	
Average compensation:	The monthly average of compensation received for the last three years of employment (all years if less than three).
Short service percentage:	The percentage obtained by dividing the number of complete months of service between a participant's date of employment and normal retirement date by 180 (maximum 100%).
Accrued benefit adjustment:	The quotient of the number of complete months of service as of a given date divided by the number of complete months of service as of normal retirement date.
Required contribution account:	Total of participant's required contributions with interest, less any previously paid out contributions. Interest shall be credited in each year at a rate of 3% per annum compounded annually.

Present Value of Accumulated Plan Benefits

Present value of vested and nonvested accrued benefits are based on the **valuation assumptions** shown in Section VII of this report (salary scale, if any, is not included in the calculation of accrued benefits). If the valuation includes retirees under the floor or benefit index option of the plan's funding arrangement, then those liabilities are also included below. This information may be used for Statement of Financial Accounting Standards No. 35 (SFAS35). These amounts should not be used for other purposes such as estimating plan termination sufficiency.

	10/01/2009	10/01/2008
Present Value of Vested Benefits		
Retired members	$16,369,858	$15,760,298
Inactive members	4,225,180	4,314,038
Active members	15,930,924	14,165,198
Total	$36,525,962	$34,239,534
Present Value of Nonvested Benefits		
Inactive members	$0	$0
Active members	566,216	424,930
Total	$566,216	$424,930
Total Present Value of Accumulated Plan Benefits	$37,092,178	$34,664,464

There have been no changes in the plan benefits, actuarial cost method, or actuarial assumptions or procedures affecting comparability of costs between periods.

Change in Present Value of Accumulated Plan Benefits

Present Value of Accumulated Plan Benefits as of 10/01/2008	$34,664,464
Increase (decrease) during the year due to:	
Increase for interest due to decrease in the discount period	2,599,835
Benefits paid	(1,806,473)
Benefits accumulated and plan experience	1,634,352
Change in assumptions	0
Plan amendment	0
Method changes	0
Present Value of Accumulated Plan Benefits as of 10/01/2009	$37,092,178

Carryforward of Net Pension Obligation:

a)	Annual required contribution for 2008 plan year	$2,008,862
b)	Interest on net pension obligation	(7,478)
c)	Adjustment to annual required contribution	(11,296)
d)	Annual pension cost for 2008 plan year (a+b-c)	2,012,680
e)	Actual contributions made	2,008,862
f)	Increase/(decrease) in net pension obligation	3,818
g)	2008 beginning of year net pension obligation	(99,709)
h)	2008 end of year net pension obligation	$(95,891)

Annual Pension Cost for 2009 Plan Year:

a)	Normal cost with interest	$2,851,326
b)	Amortization with interest	0
c)	Annual required contribution (a+b) but not less than zero	2,851,326
d)	Interest on net pension obligation	(7,192)
e)	Adjustment to annual required contribution	(10,863)
f)	Annual pension cost (c+d-e)	$2,854,997

Calculation of Net Pension Obligation

(a) Year	(b) Val'n Rate	(c) Amort. Period	(d) ARC	(e) Interest On NPO (l py x b)	(f) ARC Adjust. (l py / g)	(g) Amort. Factor (c yrs @ b%)	(h) APC (d+e-f)	(i) Actual Deposit	(j) Loss/ (Gain) (d-i)	(k) Change In NPO (h-i)	(l) NPO Balance (l py+k)
1986	8.00%	17	261,990	-	-	-	261,990	261,990	0	0	0
1987	8.00%	20	228,686	0	0	9.8181	228,686	228,686	0	0	0
1988	8.00%	15	269,200	0	0	8.5595	269,200	269,200	0	0	0
1989	8.00%	15	221,301	0	0	8.5595	221,301	221,301	0	0	0
1990	8.00%	14	221,300	0	0	8.2442	221,300	221,300	0	0	0
1991	8.00%	15	413,173	0	0	8.5595	413,173	413,173	0	0	0
1992	8.00%	14	452,652	0	0	8.2442	452,652	452,652	0	0	0
1993	8.00%	14	558,301	0	0	8.2442	558,301	558,301	0	0	0
1994	8.00%	15	568,800	0	0	8.5595	568,800	568,800	0	0	0
1995	8.00%	15	747,358	0	0	8.5595	747,358	747,358	0	0	0
1996	8.00%	14	411,853	0	0	8.2442	411,853	411,853	0	0	0
Transition											
1997	8.00%	14	378,480	0	0	8.2442	378,480	378,481	(1)	(1)	(1)
1998	8.00%	14	130,612	0	0	8.2442	130,612	130,614	(2)	(2)	(3)
1999	8.25%	14	0	0	0	8.1259	0	32,653	(32,653)	(32,653)	(32,656)
2000	8.25%	13	0	(1,343)	(2,089)	7.7962	746	0	0	746	(31,910)
2000	8.25%	13	0	(2,633)	(4,093)	7.7962	1,460	0	0	1,460	(30,450)
2001	8.25%	14	161,943	(2,512)	(3,747)	8.1259	163,178	261,943	(100,000)	(98,765)	(129,215)
2002	7.75%	14	503,506	(10,014)	(15,447)	8.3653	508,939	504,000	(494)	4,939	(124,276)
2003	7.75%	14	584,492	(9,631)	(14,856)	8.3653	589,717	584,492	0	5,225	(119,051)
2004	7.75%	14	1,706,418	(9,226)	(14,232)	8.3653	1,711,424	1,706,418	0	5,006	(114,045)
2005	7.75%	14	1,959,212	(8,838)	(13,633)	8.3653	1,964,007	1,959,212	0	4,795	(109,250)
2006	7.75%	13	2,031,632	(8,467)	(13,633)	8.0136	2,036,798	2,031,632	0	5,166	(104,084)
2007	7.75%	14	2,054,006	(8,067)	(12,442)	8.3653	2,058,381	2,054,006	0	4,375	(99,709)
2008	7.50%	15	2,008,862	(7,478)	(11,296)	8.8271	2,012,680	2,008,862	0	3,818	(95,891)
2009	7.50%	15	2,851,326	(7,192)	(10,863)	8.8271	2,854,997				

The first year 2000 row has been adjusted to reflect the short plan year from April 1, 2000 through September 30,2000, the second row reflects a full plan year from October 1, 2000 through September 30, 2001.

This section provides information as required by Part VII of Chapter 112, and by Chapter 60T-1 of the Florida Statutes. To the best of our knowledge, we have reflected in our calculations and assumptions, any event or trend which would materially increase plan costs.

This section also provides the information used to determine the annual required contribution. Please see Section II-Summary of Actuarial Results of this valuation report for additional information.

Comparative Summary of Principal Valuation Results

	Actuarial Valuation Prepared as of	
	10/01/2009	10/01/2008
Participant data		
Active members	170	161
Total annual payroll	$7,958,130	$7,497,050
Retired members and beneficiaries	121	119
Total annualized benefit	$1,766,509	$1,672,092
Disabled members receiving benefit	N/A	N/A
Total annualized benefit	N/A	N/A
Terminated vested members	72[1]	68[1]
Total annualized benefit	$579,174	$587,076

Reconciliation of lives

	Active	Inactive	Retired
Total last valuation	161	68	119
New lives	+14	0	0
Voluntary discontinuances	0	0	0
Vested terminations	-6	+6	0
Non-vested terminations	0	0	0
Retirements[2]	-1	-1	+4
Deaths	0	0	-4
Other:[3]	+2	+1/-2	+3/-1
Total this Valuation	170	72	121

Please refer to the demographic display of lives, which illustrates the number of participants by age group and includes years of vesting service, current year compensation, and projected normal retirement benefits. Please refer to Section VI-Emerging Retirement Liability of this valuation report for a projection of emerging liabilities/cash flow needs for the next 10 years.

[1] Includes 10 participants who are only entitled to receive their employee contributions.

[2] 2 new retirees in the retired category continue to have money available in their DROP account, so they are still being included in the inactive life count.

[3] The active category includes 2 participants who had been paid out of the plan and are now re-instated. The inactive category includes 1 DROP participant that we should include because she still has money in her DROP account, and 2 participants who have been paid lump sums.
The retired category includes 3 surviving spouses now receiving benefits and 1 participant whose benefit has been termed.

Assets

Since these funds are commingled with other funds in the general and separate accounts of the Principal Financial Group, it is not possible to identify specific investments as being made for a particular customer. Refer to the reconciliation of assets in this section.

	Actuarial Valuation Prepared as of	
	10/01/2009	10/01/2008
Market Value of Assets		
Fixed Income Assets	$0	$0
Participants Fund[1]	0	0
Long-term Equity Investments	12,517,294	12,480,846
Short-term Investments	0	0
Real Estate	1,380,198	2,032,661
Bonds/Fixed Income	11,640,059	11,311,294
Other:		
Total	$25,537,551	$25,824,801
Actuarial Value of Assets[2]		
Participants Fund[1]		
Long-term Equity Investments		
Short-term Investments		
Real Estate		
Bonds/Fixed Income		
Other:		
Grouped Flexible Pension Investment Accounts, including participant fund:	$30,876,228	$30,818,192
Total	$30,876,228	$30,818,192
Adjusted Actuarial Value of Assets[3]	$30,645,061	N/A

[1] The participant's fund under the FPI contract is included in total assets. These asset amounts do not include deposits received after the plan year-end.

[2] The actuarial value of assets used in determining annual funding requirements are determined as stated in Section VII--Actuarial Assumptions and Methods of this valuation report.

[3]The assets used in the valuation have been adjusted to $30,645,061 to fall within the corridor limits defined by the cost method of 80% to 120% of market value.

Three-year comparison of investment return.

The actual percentage was calculated using the Form 5500 Schedule B investment return method.

Plan Year Beginning	Actual Return on Actuarial Basis	Market Value Return	Assumed Return
10/01/2008	-1.88%	-2.72%	7.50%
10/01/2007	2.52%	-16.20%	7.50%
10/01/2006	8.64%	11.89%	7.75%

Liabilities

	Actuarial Valuation Prepared as of	
	10/01/2009	10/01/2008
Present value of all future expected benefit payments:		
Active Members		
Retirement benefits	$25,816,981	$24,071,252
Vesting benefits	4,810,914	4,630,510
Disability benefits	1,295,597	1,250,657
Death benefits	41,144	39,244
Return of contribution	15,210	15,374
Accumulated Leave		
Total	$31,979,846	$30,007,037
Terminated vested members	$4,225,180	$4,314,038
Retired members and beneficiaries		
Retired (other than disabled) and beneficiaries[1]	$16,369,858	$15,760,298
Disabled members	N/A	N/A
Total	$20,595,038	$20,074,336
Total present value of all future benefit payments	$52,574,884	$50,081,373
Liabilities due and unpaid:		
Frozen Initial Liability (FIL)	N/A	N/A
Unfunded Frozen Initial Liability (UFIL)	N/A	N/A

[1] Includes the liability of the DROP account balances for those participants currently in the DROP.

Reconciliation of DROP Accounts

Total DROP Account Balance on October 1, 2008	$463,872
Additions	
Contributions	$138,045
Interest and Earnings	$(23,712)
Withdrawals	
Lump sum payments	$113,000
Total DROP Account Balance on October 1, 2009	$465,205

Actuarial Present Value of Accrued Benefits

	Actuarial Valuation Prepared as of	
	10/01/2009	10/01/2008
Statement of actuarial value of all accrued benefits		
Vested Accrued Benefits		
Inactive members and beneficiaries[1]	$20,595,038	$20,074,336
Active members (includes non-forfeitable accumulated member contributions in the amount of $2,199,288)	$15,930,924	$14,165,198
Total value of all vested accrued benefits	$36,525,962	$34,239,534
Non-vested accrued benefits	$566,216	$424,930
Total actuarial present value of all accrued benefits	$37,092,178	$34,664,464

These values are based on the actuarial assumptions shown in Section VII–Actuarial Assumptions and Methods of this valuation report, except that the calculation of accrued benefits does not include a salary scale, (if any).

A Statement of changes in total actuarial present value of all accrued benefits is shown in Section IX – Accounting Disclosure Information for SFAS 35 of this valuation report.

[1] Includes the liability of the DROP account balances for those participants currently in the DROP.

Pension Cost

	Actuarial Valuation Prepared as of	
	10/01/2009[2]	10/01/2008[3]
Normal Cost:		
Base Normal Cost	2,881,627	2,490,262
Administrative expenses	38,957	55,363
Total Normal Cost	2,920,584	2,545,625
Adjusted Normal Cost[1]	3,295,353	2,872,280
Payment to amortize unfunded liability(ies)	N/A	N/A
Expected plan sponsor contribution (including normal cost, amortization payment and interest, as applicable)	3,290,953	2,851,326
As % of payroll	42.19%	38.90%
Amount to be contributed by members[4]	234,001	219,844
As % of payroll	3.00%	3.00%

[1] Total normal cost and expected plan sponsor contributions reflect adjustments for salary and interest.
[2] 10/01/2009 amounts will be used for the 10/01/2010 - 9/30/2011 funding.
[3] 10/01/2008 amounts will be used for the 10/01/2009 - 9/30/2010 funding
[4] Amount to be contributed by members reflects adjustment for salary increases.
Interest is based on 7.50% for the prior and current year.

	Plan Year Beginning	
Past Contributions	10/01/2008	10/01/2007
Required plan sponsor contribution	$2,008,862	$2,054,006
Required member contributions	171,834	172,612
Actual contributions made by		
Plan sponsor	$2,008,862	$2,054,006
Members	247,788	237,852
Other:	N/A	N/A
Net Actuarial gain(loss) (if applicable)	N/A	N/A

Other Disclosures

	Actuarial Valuation Prepared as of	
	10/01/2009	10/01/2008
Present values of active members:		
Future salaries		
at attained age	$56,554,868	$54,017,066
at entry age	38,187,385	35,931,842
Future contributions		
at attained age	1,636,553	1,563,115
at entry age	1,105,045	1,039,775
Present value of future contributions from other sources		
Present value of future expected benefit payments for active members at entry age	$6,132,827	$5,721,193

The numerical development of total normal cost for the current plan year is shown in Section V–Development of Deposit Information of this valuation report.

Three year comparison of actual and assumed salary increases.

Plan Year Beginning	Actual Increases	Assumed Increases
October 1, 2008	2.43%	5.64%
October 1, 2007	17.99%	5.59%
October 1, 2006	2.42%	5.58%

Other Disclosures (Continued)

Changes in costs during the year due to a change in assumptions, cost method, benefits, or other, as specified. See page IX-1 of this report.

Cost of $1.00/month Benefit on Normal Form

Retirement	Valuation Assumptions		Contract Purchase Rates[1]	
Age	Male	Female	Male	Female
55	135.41	139.46	208.87	237.58
60	125.29	130.47	183.37	213.79
62	120.68	126.36	172.86	203.89

[1] Non-guaranteed rates in effect 10/01/2009. These rates may change daily.

Cost of Annuities Purchased During the Past Year

Certificate Number	Valuation Assumptions	Actual Purchase Price[2]

[2] Annuities are purchased under this contract for retirees at the time when the "benefit index" equals or exceeds the funds held under the contract or when the contract is terminated. Participants who retired after August 2002 will utilize the direct fund payment method. Under the direct fund method, payments are made monthly from plan assets, therefore purchase rates are not applicable.

CITY OF HALLENDALE

Valn Date 10/01/2009

Schedule of Active Participant Data

YEARS OF CREDITED SERVICE

Attained Age	Under 1 No.	Under 1 Avg. Comp.	1 to 4 No.	1 to 4 Avg. Comp.	5 to 9 No.	5 to 9 Avg. Comp.	10 to 14 No.	10 to 14 Avg. Comp.	15 to 19 No.	15 to 19 Avg. Comp.	20 to 24 No.	20 to 24 Avg. Comp.	25 to 29 No.	25 to 29 Avg. Comp.	30 to 34 No.	30 to 34 Avg. Comp.	35 to 39 No.	35 to 39 Avg. Comp.	40 and up No.	40 and up Avg. Comp.
Under 25	0	0	6	32311	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	5	35110	2	38265	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	10	39667	3	43977	2	44941	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	1	0	11	37507	9	43538	2	52583	3	57778	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	9	34693	9	46969	4	47848	2	56074	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	7	39092	5	46495	7	43810	2	59400	4	58065	1	53970	1	96673	0	0	0	0
50 to 54	0	0	3	45006	5	37466	5	58763	9	51653	8	60042	3	58410	2	65556	1	61639	0	0
55 to 59	0	0	3	39023	3	38683	2	39989	3	52451	3	56833	3	62204	3	68299	2	57974	0	0
60 to 64	0	0	0	0	0	0	1	63111	0	0	1	52307	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	2	51375	0	0	1	61652	0	0	1	57365	0	0	0	0	0	0
70 & up	0	0	0	0	1	42847	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Asset Reconciliation

Actuarial value of assets balance on October 1, 2008[1]	$30,818,192
Additions	
Contributions - Employer	$2,008,862
Contributions - Employee	$247,788
Interest and Earnings	$(698,471)
Withdrawals	
Expenses	$38,957
Lump sum payments	$122,893
Benefit index and direct fund payments	$1,683,580
Market Value Spread Adjustment	$345,287
Actuarial value of assets balance on October 1, 2009[2]	$30,876,228
Adjusted Actuarial Value [3]	$30,645,061

[1]Included in this total is $2,538,902 of employee contributions.
[2]Included in this total is $2,659,547 of employee contributions.

[3]The assets used in the valuation have been adjusted to $30,645,061 to fall within the corridor limits defined by the cost method of 80% to 120% of market value.

Principal Financial Group

Principal Life
Insurance Company

December 23, 2009

MARK ANTONIO
CITY OF HALLANDALE BEACH
CITY HALL
400 SOUTH FEDERAL HIGHWAY
HALLANDALE BEACH, FL 33009-6433

RE City Of Hallandale Beach Retirement Plan
Annuity Contract No: 4-45661

Dear Mark

Enclosed is your GASB 25 Financial Accounting Disclosure Report for the year ending September 30, 2009. This report provides the disclosure information needed to comply with the Governmental Accounting Standards Board Statement 25, 40, 50, and 53. You may also wish to forward a copy of this report to your accountant or auditor.

If you decide to modify any numbers shown in this report, please let me know. This allows us to provide accurate information next year.

If you have any questions about this GASB report, please call me at the number listed below.

Sincerely
Andrea Matson
Pension Actuarial Analyst
Retirement Actuarial Services
Phone (515) 362-2364
Fax (866) 704-3481

Enclosure

cc Don Huegerich
Dan Gornick

This statement, which is provided by Principal Life Insurance Company, is complete and accurate according to the best of our knowledge. This statement should be reviewed by the employer for accuracy and agreement with their records.

Governmental Accounting Standards Board Statement 25 (GASB 25), GASB 40, and GASB 50 Information

The City of Hallandale Beach Retirement Plan

GA 4-45661

Statement of Plan Net Assets
as of September 30

		2009	2008
Assets:			
Cash	(Cash and cash equivalents) Checking/Savings account	$0.00	$0.00
	Total Cash	$0.00	$0.00
Investments			
Insurance contracts at contract value			
	Available for nonretired lives	$0.00	$0.00
	Reserved for retired lives	0.00	0.00
Unallocated Separate Accounts at Fair Value		13,359,897.67	12,817,089.76
Allocated Separate Accounts at Fair Value		12,177,652.98	13,007,711.30
Total Investments		25,537,550.65	25,824,801.06
	Total Assets	$25,537,550.65	$25,824,801.06
Liabilities:			
Accrued administrative expense		$0.00	$0.00
	Total Liabilities	$0.00	$0.00
Net assets available for benefits		$25,537,550.65	$25,824,801.06

The City of Hallandale Beach Retirement Plan

GA 4-45661

Statement of Changes in Plan Net Assets
For the Year Ended September 30

	2009	2008
Additions:		
Contributions		
Members' contributions	247,788.28	237,851.66
Employer contributions	2,008,862.00	2,054,006.00
Investment Income		
Contract Investment Income	$0.00	$0.00
Dividend Income	0.00	0.00
Net appreciation/(depreciation) in fair value of investments	(698,470.63)	(4,945,000.25)
Other	0.00	0.00
Total additions	$1,558,179.65	$(2,653,142.59)
Deductions:		
Pension payments	$1,806,473.06	$1,742,403.01
Refund terminated members' contributions	0.00	0.00
Administrative expenses	25,533.35	39,377.61
Fund selection services fee	13,423.65	15,985.76
Transfer to City of Hallandale Beach Professional/Management Plan	0.00	0.00
Total deductions	$1,845,430.06	$1,797,766.38
Net increase/(decrease)	$(287,250.41)	$(4,450,908.97)
Fund Balance on October 1	$25,824,801.06	$30,275,710.03
Fund Balance on September 30	$25,537,550.65	$25,824,801.06

The City of Hallandale Beach Retirement Plan

GA 4-45661

Notes To Financial Statements

1. **Description of Plan:**

A. General

The City of Hallandale Beach Retirement Plan is a single-employer defined benefit pension plan controlled by the provisions of the City Ordinance. The plan is governed by the City of Hallandale Beach which may amend plan provisions, and which is responsible for the management of plan assets. The City of Hallandale Beach has delegated the authority to manage certain plan assets to Principal Life Insurance Company.

B. Plan Membership

As of October 1, 2009 and 2008, the pension plan's membership consisted of:

	2009	2008
Active employees	170	161
Retirees and beneficiaries currently receiving benefits	121	119
Terminated employees entitled to benefits but not yet receiving them	72	68
Total	363	348

C. Benefit Provisions

As of October 1, 2009, the pension plan provides for retirement and other benefits as shown in Appendix I of this report. The participants who have elected the DROP are listed as terminated participants.

2. **Summary of Significant Accounting Policies:**

A. Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

2. **Summary of Significant Accounting Policies: (continued)**

B. Valuation of Investments

The pension plan's separate accounts are valued at fair value.

C. Contributions

Active members are required to contribute 3% of monthly compensation to the plan. Any remaining obligation with respect to the pension plan shall be paid by the employer.

Investment expenses, including investment manager and custodial services, are funded through investment earnings.

Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

D. Investments That Represent Five Percent or More of Net Assets Available For Benefits

At September 30, 2009, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent or more of net Assets available for benefits ($25,537,550.65 x .05 = $1,276,877.53):

Principal Financial Group	$25,537,550.65

2. Summary of Significant Accounting Policies: (continued)

E. Deposits And Investments

The Governmental Accounting Standards Board in Statement No. 3 (GASB 3), as amended by GASB No. 40, requires state and local governments to disclosure certain risks associated with the plan's deposits and investments. GASB 53 requires investment derivative instruments be reported at fair value and disclosed according to GASB 40 requirements.

Deposits
At September 30, 2009, the plan held no deposits.

Interest Rate Risk. At September 30, 2009, the city had the following investments. Amounts are shown in dollars. Modified duration is shown in years.

Fixed Income Investment Options	Fair Value	Effective Duration
General Account at contract value	$0.00	5.10
Core Plus Bond I Separate Account	4,265,356.94	4.51
Principal Bond and Mortgage Separate Account	4,270,371.84	4.39
Principal Government & High Quality Bond Separate Account	0.00	3.37
Principal Inflation Protection Separate Account	1,722,933.56	7.43
Principal High Yield I Separate Account	1,381,396.46	3.82
Principal Ultra-Short Bond Separate Account	0.00	0.52
Principal Short-Term Bond Separate Account	0.00	1.72
Principal High Quality Intermediate-Term Bond Separate Account	0.00	4.24
Principal Preferred Securities Separate Account	0.00	7.15
Principal Ultra Long Bond Separate Account	0.00	10.59
Principal Money Market Separate Account	0.00	0.18[1]
U.S. Property Separate Account	994,561.65	[2]
Total Fair Value of Fixed Income Investment Options	$12,634,620.45	
Other Investments	12,902,930.20	
Total Investments	$25,537,550.65	

For more performance information, including most recent month-end performance, visit the Principal Sponsor Service Center at www. Principal.com, or contact your representative of The Principal, or call our Client Contact Center at 1-800-547-7754.

Credit Risk. Separate accounts held at The Principal Financial Group are commingled pools, rather than individual securities. As a result, these accounts are not rated.

Derivatives. Separate accounts held at The Principal Financial Group may use derivatives as part of their investment strategy. These accounts are comingled pools, rather than individual securities.

Accounts held at The Principal Financial Group are not subject to concentration of credit risk, custodial credit risk or foreign currency risk.

[1] Principal Money Market Separate Account is shown in average weighted maturity.
[2] U.S. Property Separate Account is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Therefore, an effective duration is not calculated.

Required Supplementary Information

Schedule of Funding

Historical trend information about the plan is presented herewith as required supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The historical information required to be disclosed, beginning as of October 1, 2004 is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a % of Payroll [(2) – (1)]/(5)
10/01/2004	$22,190,248	$22,190,248	$0	100%	$5,067,394	0%
10/01/2005	24,204,459	24,204,459	0	100%	5,032,125	0%
10/01/2006	26,662,750	26,662,750	0	100%	5,481,825	0%
10/01/2007	29,573,983	37,840,772	8,266,789	78%	5,457,139	151%
10/01/2008	30,818,192	42,953,783	12,135,591	72%	6,983,097	174%
10/01/2009	30,645,061	44,950,637	14,305,576	68%	7,431,434	193%

Actuarial Value of Assets differs from Total Assets shown on page 1 due to the spreading of market value for plan assets, adjustment for estimated DROP account balances, and transfers to and from the City of Hallandale Beach Professional/Management plan.

Prior to the adoption of GASB 50, GASB 25 and 27 defined the Actuarial Accrued Liability under the Aggregate method to be equal to the Actuarial Value of Assets. Subsequent to the adoption of GASB 50 for periods beginning after June 15, 2007, funded status information is prepared using the entry age actuarial cost method. The information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the accrued liability as a factor. (See page 8 for Significant Factors Affecting Schedules.)

Analysis of the dollar amount of the actuarial value of assets, accrued liability and unfunded (assets in excess of) accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the accrued liability (column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in unfunded (assets in excess of) accrued liability and annual covered payroll are both affected by inflation. Expressing unfunded (assets in excess of) accrued liability as a percentage of annual covered payroll (column 6) approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, where there is an unfunded accrued liability, the smaller this percentage, the stronger the plan. However, when assets are in excess of the accrued liability, the higher the bracketed percentage, the stronger the plan.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations, if applicable.

Required Supplementary Information-Continued

Schedule of Employer Contributions

The following table provides an analysis of funding progress for the last six years:

Plan Year End	Annual Required Contribution	Actual Contribution	Percentage Contributed
09/30/2004	$584,492	$584,492	100%
09/30/2005	1,706,418	1,706,418	100%
09/30/2006	1,959,212	1,959,212	100%
09/30/2007	2,031,632	2,031,632	100%
09/30/2008	2,054,006	2,054,006	100%
09/30/2009	2,008,862	2008862	100%

Notes To Required Schedules

A. Actuarial Assumption And Methods

The actuarial accrued liability was determined as part of an actuarial valuation at October 1, 2009, the most recently filed actuarial valuation report.

This report was based upon the plan's actuarial assumptions, asset valuation method, and cost method described in Appendix II, III, and IV.

The aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities. There is no amortization in the calculation of Annual Required Contribution.

B. Significant Factors Affecting Schedules

The following changes affect the comparability of costs since the October 1, 2002 plan year.

Actuarial Valuation Date	Reason(s)	Change in Actuarial Accrued Liability
10/01/2002	Assumption & Method	$(141,817)
10/01/2007	Benefit Change	549,299
10/01/2008	Assumption Change	1,131,979

The following is a summary of plan provisions and does not alter the intent or meanings of the provisions contained in the contract or plan document.

Plan Eligibility

Age:	Not attained age 60.
Service:	One year of service.
Class:	Any employee of the employer considered to be a general employee by the employer, not a policeman, fireman, or manager, that works more than 37.5 hours per week and is considered to be on a full-time basis. Lawrence Faragher, Jorge Fernandini, and Mary Washington will be included in this group regardless of their management status. Must agree to make required contributions. Effective 10/01/2007 non-bargaining employees will not become or again become active participants.

Normal Retirement Benefit

Age:	Attained age 60.
Form:	Monthly annuity with benefits received guaranteed to be at least equal to the employees' accumulation on normal retirement date (optional forms may be elected prior to retirement).
Amount (accrued benefit):	73% of average compensation multiplied by the short service percentage and the accrued benefit adjustment (minimum benefit of \$20) for bargaining employees. 75% of average compensation multiplied by the short service percentage and the accrued benefit adjustment (minimum benefit of \$20) for non-bargaining employees. This amount will be reduced for each full or partial year that his/her spouse is eligible for the qualified preretirement survivor annuity before the earlier of the date he/she becomes inactive or reaches normal retirement date. For each year of coverage the reduction is .25%. The accrued benefit will be reduced if an active participant has not made all of his/her required contributions.

Early Retirement Benefit

Age:	Attained age 55
Service:	Twenty years of service.
Form:	Same as normal retirement benefit.
Amount:	Accrued benefit on early retirement date reduced by 6 2/3% for each year up to five that the early retirement date precedes normal retirement date.

Late Retirement Benefit

Age:	No maximum age.
Form:	Same as normal retirement benefit.
Amount:	The greater of (a) or (b):

(a) Accrued benefit as of normal retirement date increased to reflect that payment begins at a later date.

(b) Accrued benefit on late retirement date.

Termination Benefit

Vesting percentage:	20% after three years of vesting service plus 20% per year thereafter, up to 100%.
Form:	Same as normal retirement benefit with income deferred until normal retirement.
Amount:	Equal to the sum of:

(a) The amount of retirement annuity which could be purchased on his normal retirement date by the participant's accumulation.

(b) Vesting percentage times the excess of the pension benefit as of the date of termination over (a) above.

At any time on or after termination, the participant may elect to receive his/her participant's accumulation in cash in lieu of any and all retirement benefits.

Medical Premium Benefit:

Eligibility	Active participant
Amount:	An annual benefit of $120 times years of service (maximum 20 years). Any non-bargaining employee hired after 01/01/1996 will not be eligible for this benefit.

Deferred Retirement Option Plan:

Eligibility	An active participant first becomes eligible to elect the DROP upon becoming eligible for early or normal retirement. A post-dated written letter of resignation fully binding upon the member is also required.
Election:	An election to participate in the DROP shall be forfeited if not exercised within 90 days immediately prior to member's eligibility to enter the DROP. Those members eligible to participate in the DROP prior to its effective date (October 1, 2000) shall have a period of 90 days from the effective date to elect participation in the DROP. The period of participation in the DROP cannot exceed a period of five years and/or age 67.
Form:	While the employee is in the DROP the pension benefit payments will be made to the DROP account as if the member had terminated employment and elected to receive monthly benefits payable in an amount as determined by the retirement option selected by the member . Payments to the DROP will earn or lose interest at the same rate and frequency as the pension fund, minus .5% for administrative cost. Payment options are lump sum, installments or an annuity.
Amount:	After the commencement of participation in the DROP, no additional service under the retirement plan will be credited and all calculations for average compensation will be based on the years preceding the commencement of participation in the DROP. Otherwise the DROP benefit will be based on the normal retirement benefit formula. Upon termination of employment, the member will receive the balance of the DROP account either immediately or he/she may defer payment until the latest day permitted under the minimal distribution requirements of section 401(a)(9) of the Internal Revenue Code.

Contributions

Participant:	3% of monthly compensation.

Early Retirement Window	Participants who were age 55 with 20 years of service on November 1, 2003 were given the option to retire early with their expected benefit at normal retirement date unreduced for early retirement with no accrued benefit adjustment applied. The last date to exercise this option was 12/22/2003.
Death Benefits:	If not waived, the greater of A. or B.:
A. Lump sum death benefit	
Form:	Lump sum.
Amount:	Participant's accumulation.
B. Death benefit	
Age:	Attained age 55.
Service:	Twenty years of service.
Form:	Monthly annuity payable to spouse.
Amount:	The amount that would have been received had the participant elected a joint and 50% survivorship benefit option and early retired the day before death.

Definitions

Average compensation:	The monthly average of compensation received for the last three years of employment (all years if less than three).
Short service percentage:	The percentage obtained by dividing the number of complete months of service between a participant's date of employment and normal retirement date by 180 (maximum 100%).
Accrued benefit adjustment:	The quotient of the number of complete months of service as of a given date divided by the number of complete months of service as of normal retirement date.
Required contribution account:	Total of participant's required contributions with interest, less any previously paid out contributions. Interest shall be credited in each year at a rate of 3% per annum compounded annually.

Actuarial Valuation Assumptions

	10/01/2009	10/01/2008
Valuation Interest (net of investment expenses)		
Preretirement	7.50%	7.50%
Postretirement	7.50%	7.50%
Interest Rate For Employee Accumulations	3.00%	3.00%
Mortality		
Preretirement	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.
Postretirement	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.	RP-2000 Combined Mortality Table, male and female, projected to 2005 with scale AA.
Expenses	A dollar estimate of administrative expenses is included in normal cost.	A dollar estimate of administrative expenses is included in normal cost.
Salary Scale	Table S-5 from the Actuary's Pension Handbook plus 3.30%. Selected rates of increase are shown below:	Table S-5 from the Actuary's Pension Handbook plus 3.30%. Selected rates of increase are shown below:

10/01/2009:

Age	Increase	Age	Increase
20	8.40%	40	6.02%
25	7.48%	45	5.69%
30	6.87%	50	5.42%
35	6.41%	55	5.18%

10/01/2008:

Age	Increase	Age	Increase
20	8.40%	40	6.02%
25	7.48%	45	5.69%
30	6.87%	50	5.42%
35	6.41%	55	5.18%

	10/01/2009	10/01/2008
Retirement Age	Normal retirement age as defined in Summary of Plan Provisions.	Normal retirement age as defined in Summary of Plan Provisions.
Disability	1987 Commissioner's Group Disability Table, six month elimination period, male and female.	1987 Commissioner's Group Disability Table, six month elimination period, male and female.
Marriage	75% married; male is 3 years older than the female.	75% married; male is 3 years older than the female.

Withdrawal	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75 Selected rates of withdrawal are shown below:	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75 Selected rates of withdrawal are shown below:

Age	Rate of withdrawal	Age	Rate of withdrawal	Age	Rate of withdrawal	Age	Rate of withdrawal
20	18.23%	40	7.05%	20	18.23%	40	7.05%
25	14.63%	45	5.48%	25	14.63%	45	5.48%
30	11.63%	50	4.20%	30	11.63%	50	4.20%
35	9.08%	55	3.15%	35	9.08%	55	3.15%

Accumulated Leave	None	None
Medical Stipend	Assume all eligible continue to receive medical stipend.	Assume all eligible continue to receive medical stipend.

The actuarial valuation assumptions used in this report are the same as those used in the prior year report.

Actuarial Methods

	10/01/2009	10/01/2008
Actuarial cost method	Aggregate	Aggregate
Actuarial value of assets		
Principal Life Insurance Company accounts		
FPI grouped accounts	Market value is adjusted by spreading the expected value minus the actual value over four years.	Market value is adjusted by spreading the expected value minus the actual value over four years.
Deposits after the plan year end	Deposits received in the current plan year, but applied to the prior plan year, are included in assets at their face value.	Deposits received in the current plan year, but applied to the prior plan year, are included in assets at their face value.
Retirees	Assets and liabilities for retirees who receive monthly (guaranteed and non-guaranteed) benefits from plan assets are included in your valuation.	Assets and liabilities for retirees who receive monthly (guaranteed and non-guaranteed) benefits from plan assets are included in your valuation.
Deferred Retirement Option Plan (DROP) liability and assets	Participants who are participating in the Deferred Retirement Option Plan but who have not terminated employment are included in the valuation as retired participants. The future stream of benefit payments are valued as a liability to the plan. The DROP account balances are tracked and will be added to the actuarial value of liabilities for valuation purposes as well. The actuarial value and market value of assets will reflect the total assets of the plan including the DROP account balances.	Participants who are participating in the Deferred Retirement Option Plan but who have not terminated employment are included in the valuation as retired participants. The future stream of benefit payments are valued as a liability to the plan. The DROP account balances are tracked and will be added to the actuarial value of liabilities for valuation purposes as well. The actuarial value and market value of assets will reflect the total assets of the plan including the DROP account balances.

Description of Actuarial Cost Method
Aggregate

Ultimate Cost

The ultimate cost of your pension plan is:

- Benefit payments
- Plus expenses
- Less investment income

This cost can't be determined until the last benefit has been paid. Regardless of which actuarial cost method is used, the ultimate cost remains the same.

Cost Methods

A cost method is a budgeting tool. It helps to ensure that your pension plan is adequately and systematically funded. Cost methods differ based on how they assign an annual cost to the current year and how they treat gains and losses.

Normal Cost

The portion of cost assigned to each year is called the normal cost. The normal cost may be shared by the employer and the employees based on plan provisions.

Aggregate

The aggregate cost method is used for this valuation. This method estimates the total cost of all projected plan benefits based on the assumptions shown in this report and the participant data you have supplied.

Normal cost is determined by reducing the total cost of projected benefits by plan assets. This amount (the present value of future normal costs) is then spread as a level percentage of compensation if benefits are salary related or as a level dollar amount if not salary related.

Actuarial Gains/Losses

An actuarial gain or loss occurs when actual plan experience differs from what was assumed. The actuarial gain or loss is not calculated separately, but is reflected in the calculation of normal cost. A gain decreases normal cost and a loss increases normal cost. Normal cost will vary based on how plan experience compares to what was assumed.